

STATEMENT OF PURPOSE

RS30008C1 / H0078

PROPERTY TAX FAIRNESS ACT

From 2006-2016, the homeowner's property tax exemption was indexed annually, consistent with the sales prices of Idaho homes. In 2016, indexing was removed from the formula resulting in a significant shift of the property tax burden to owner-occupied residential properties. Conversely, non-homeowner properties have enjoyed significant property tax reductions during this time, to the detriment of the homeowner.

The Property Tax Fairness Act restores an annual index, based on the sales prices of Idaho homes, to calculate the maximum homeowner's exemption amount and establishes an initial exemption of \$224,360, as if the indexing factor had not been removed in 2016. The legislation reestablishes the homeowner's exemption amount as an accurate representation of sales prices of Idaho single family residences. To promote property tax fairness to all categories of owner-occupied properties, irrespective of differences in assessed values, the percentage of assessed valuation eligible for exemption increases from 50% to 55%, so long as it does not exceed \$224,360 in 2024, with the indexing factor starting thereafter.

This legislation will recalibrate and restore a fair balance of property tax distribution between operating, industrial, commercial, agricultural, and residential properties.

FISCAL NOTE

This bill will have no fiscal impact on the general fund. This bill will have no fiscal impact on state or local governments.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).